

# UTAH ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



Utah is the proud home of the Salt Lake City Clean Cities Coalition.

## Overview

Utah offers a tax credit and a loan program as incentives for alternative fuel vehicles (AFVs). The state provides a 20% tax credit, up to \$500 for each new dedicated vehicle registered in Utah, and a 20% tax credit, up to \$400 for the cost of conversion equipment for compressed natural gas (CNG), liquefied petroleum gas (LPG), and electric vehicles. The Office of Energy Services offers a low-interest loan program for the purchase or conversion of AFVs or for the construction of refueling facilities for AFVs. The Office of Energy Services also provides technical assistance and information on AFV conversions.

## Highlights

- \$ 20% tax credit, up to \$500 for purchase of a CNG, LPG, or electric vehicle, up to \$400 for conversion of a vehicle to run on CNG, LPG, or electricity
- \$ \$1,000 - \$2,300 per vehicle credit against ground transportation fees from the Salt Lake City Airport Authority

## State Incentives

- \$ The state provides a 20% tax credit (\$500 maximum) for each new dedicated vehicle registered in Utah and a \$400 maximum for the cost of conversion equipment if the vehicle is fueled by propane, CNG, or electricity; fueled by another fuel that the Utah Air Quality Board has determined to be at least as effective in reducing air pollution; and meets federal Clean Air Act Amendments (CAAA) requirements. This tax credit applies to tax years beginning January 1, 1992, and ending December 31, 1996. For additional information, contact Scott Tingey, Office of Energy Services, at (801) 538-8655, or toll-free at (800) 662-3633.

The Utah Office of Energy Services provides low-interest Clean Fuel Loans to businesses and no-interest loans to public agencies to either convert to using cleaner-burning transportation fuels or acquire vehicles from the manufacturer which operate on clean fuel. Any business or public agency is eligible to apply for Clean Fuel Loan funds. Not all vehicles in a fleet need to be converted to qualify. A business owner or fleet operator may obtain an application from the Office of Energy Services. The Office of Energy Services reviews the loan application and determines the repayment schedule of the loan. After borrower approval, a standard state contract is executed within 30 days. Once approved, the loan applicant is responsible for having the vehicle converted and paying for the work. An invoice copy and copy of the conversion work performed is sent to the Office of Energy Services for reimbursement. If a clean fuel vehicle is purchased, documentation of the costs is required. Applicants not approved for a loan may reapply in the future.

The Office of Energy Services will also advise business owners and fleet operators of the following: savings to be realized by using an alternative fuel; qualifying fuels; sources of qualified conversion kits and services; availability of loans from \$4,500 to \$36,000 per qualifying vehicle, based on gross vehicle weight (gvw); availability of loans up to \$250,000 for the installation of refueling equipment; and a repayment schedule considering the projected savings from conversion to a clean fuel. For more information, contact Scott Tingey, Program Manager, Clean Fuels Loan Program, at (801) 538-8655, or toll-free at (800) 662-3633.

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### *Utility/Private Incentives*

\$ The Salt Lake City Airport Authority provides incentives to commercial ground transportation providers who either convert to or purchase clean fuel vehicles. The incentives will be in the form of a credit against ground transportation fees. Incentive credit amounts are \$2,300 for the initial conversion of a vehicle, \$1,000 for subsequent vehicles, and \$1,500 for vehicles purchased that were converted at the factory or originally designed for clean fuel use. A public natural gas fueling station is being built at the airport. Contact Steve Domino at (801) 575-2991 for additional information.

**Mountain Fuel** offers technical assistance to customers wishing to convert to CNG vehicles, and will lease conversion and compression equipment. The company will perform financial analysis and fleet consulting for alternative fuel comparisons. Mountain Fuel provides 16 public refueling stations throughout Utah. For more information, call Doug Tate at (801) 534-5375.

### *Laws & Regulations*

House Bill 43 exempts CNG and electricity from taxes imposed by county and municipal governments when the fuel is used to power a motor vehicle. Utah Code 54-2-1 deregulates the distribution of CNG for use as a motor vehicle fuel.

Road taxes for natural gas and LPG vehicles are collected through an annual sticker permit fee costing either \$36 or \$70 depending on gross vehicle weight (Utah Code 59-13-304). These "clean special fuels" are taxed at a rate of 19¢/gallon less than gasoline (per Utah Code 59-13-201). Current code calls for any increase in the gasoline tax to be equally applied to the special fuels tax.

Utah Code 19-2-105 enables the Utah Air Quality Board to mandate conversion of fleet vehicles to clean-burning fuels as part of the state implementation plan, if such mandate is required to meet federal health standards. However, conversion to clean fleet vehicles is currently not part of a Utah State Implementation Plan.

To require fleets to use clean fuels, the Utah Air Quality Board must find the use of a clean fuel is necessary to demonstrate attainment and maintenance of National Ambient Air Quality Standards, and reasonably cost effective when compared to other similarly beneficial control strategies. The board may not require more than 30% of a fleet to use clean fuels before January 1, 1998; 50% before January 1, 1999; and 70% before January 1, 2000.

## UTAH ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

### *Points of Contact*

#### **Salt Lake City Clean Cities Coordinator**

Renee Tanner (801) 535-7735  
Office of the Mayor

#### **Utah Office of Energy Services**

Scott Tingey (801) 538-8655  
(800) 662-3633

#### **Salt Lake City Airport Authority**

Steve Domino (801) 575-2991

#### **Mountain Fuel**

Doug Tate (801) 534-5375

#### **Metropolitan Planning Organizations**

##### **Wasatch Front Regional Council**

Mick Crandall (801) 292-4469

##### **Mountainland Association of Governments**

Carl Johnson (801) 377-2262

#### **Utah State Transportation Contact**

Department of Transportation  
Douglas Anderson (801) 965-4377

#### **Utah State Energy Office**

Office of Energy and Resource Planning  
Utah Department of Natural Resources  
Jeff Burks (801) 538-5428

#### **U.S. Department of Energy**

##### **Regional Support Office**

Denver Regional Support Office  
Laura Adducci (303) 231-5750  
extension 155

#### **U.S. Department of Transportation Contacts**

##### **Federal Highway Administration**

Region 8  
Robin Smith (303) 969-6712

##### **Federal Transit Administration**

Region 8  
Don Cover (303) 844-3242

##### **General Services Administration**

##### **Regional Fleet Manager**

Region 8  
Irv Merwin (303) 236-7591

##### **U.S. Environmental Protection Agency**

##### **Regional Pollution Prevention Coordinators**

Region 8  
Laura Farris (303) 312-6883  
Judy Wong (303) 312-6356